



ARIZONA STATE RETIREMENT SYSTEM

3300 NORTH CENTRAL AVENUE • PO BOX 33910 • PHOENIX, AZ 85067-3910 • PHONE (602) 240-2000
7660 EAST BROADWAY BOULEVARD • SUITE 108 • TUCSON, AZ 85710-3776 • PHONE (520) 239-3100
TOLL FREE OUTSIDE METRO PHOENIX AND TUCSON 1 (800) 621-3778
EMAIL ADDRESS: ASKMAC@AZASRS.GOV • WEB ADDRESS: WWW.AZASRS.GOV

Paul Matson
Director

MINUTES

PUBLIC MEETING ARIZONA STATE RETIREMENT SYSTEM BOARD (AD HOC COMPENSATION COMMITTEE)

Wednesday, November 12, 2014
9 a.m. Arizona Time

The Arizona State Retirement System (ASRS) Ad Hoc Compensation Committee met in the 14th Floor Conference Room, 3300 N. Central Avenue, Phoenix, Arizona. Mr. Tom Manos, Chair of the ASRS Committee, called the meeting to order at 9:05 a.m., Arizona Time.

1. Call to Order; Roll Call; Opening Remarks

Present: Mr. Tom Manos, Chair
Professor Dennis Hoffman
Mr. Kevin McCarthy
Mr. Tom Connelly

Absent: Mr. Brian McNeil

A quorum was present for the purpose of conducting business.

2. Approval of the Minutes of the October 14, 2014 Public Meeting of the Ad Hoc Compensation Committee

Motion: Mr. Kevin McCarthy moved to approve the minutes of the October 14, 2014 Public Meeting of the Ad Hoc Compensation Committee. Professor Dennis Hoffman seconded the motion.

By a vote of 4 in favor, 0 opposed, 0 abstentions, and 1 excused, the motion was approved.

3. Presentation, Discussion and Appropriate Action with Regard to ASRS Budgeting Processes, Authorization Processes, and Governance Structure with Respect to Employee Compensation and Compensation Strategies

Mr. Paul Matson, Director provided an overview of the items to be discussed during this agenda item; including budgeting processes, authorization processes and governance structure. Mr. Matson turned the meeting over to Ms. Martha Rozen, Chief of Administrative Services, who presented on the different processes.

Ms. Rozen discussed A.R.S. § 38-611.01 which provides the ASRS with its authority to administer a compensation plan for investment-related personnel, and A.R.S § 41-742 which provides ADOA with its authority to administer the state personnel system. Personnel Reform moved the ASRS under the Department of Administration (ADOA), and the ASRS must now seek approval from ADOA for classifications and compensation changes. Ms. Rozen also provided an overview of the budgeting process which includes presentations to the Operations and Audit Committee and to the full Board for approval, as well as an overview of the agency governance.

4. Presentation, Discussion and Appropriate Action with Regard to the ASRS Employee Compensation Histories, Levels, Current and Past Strategies and Results, and Comparative Data

Ms. Rozen led the discussion of this agenda item, reviewing the ADOA history of salary adjustments for the past five years as well as the ASRS history of salary adjustments for the same time period. Also discussed were variable compensation awards to ASRS staff during FY 2013 and FY 2014.

5. Presentation, Discussion and Appropriate Action Regarding Future Agenda Topics and Meeting Dates

Mr. Connelly requested the ASRS contract with a consultant to present information on public and private compensation for Investment Professionals. The next meeting date will be determined once a consultant has been procured.

6. Call to the Public

No members of the public requested to speak.

7. Adjournment of the ASRS Ad Hoc Compensation Committee

Mr. Tom Manos adjourned the November 12, 2014, Committee meeting at 9:45 a.m.

ARIZONA STATE RETIREMENT SYSTEM

Gayle Williams
Board Administrator

Date

Paul Matson
Director

Date